GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1030
ANSWERED ON:24.11.2000
DISINVESTMENT OF STATE OWNED OIL COMPANIES
GANGASANDRA SIDDAPPA BASAVARAJ;Y.S. VIVEKANANDA REDDY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have finally failed to mobilise Rs.2000 crore through restructuring and equity sale in State-owned oil companies to wipe out the fiscal deficit during the current financial year; and

(b) if so, the main points of the restructuring plan proposed by the Government in this regard?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING, PROGRAMME IMPLEMENTATION, ADMINISTRATIVE REI PUBLIC GRIEVANCES AND DISINVESTMENT (SHRI ARUN SHOURIE)

(a) No, Sir. The restructuring and equity sale exercise in state-owned oil companies are at various stages of implementation in accordance with decisions taken by Government from time to time.

(b) In order to improve the long-term viability of the stand-alone refineries and strengthening the business synergies among Public Sector Oil Companies under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the Government has, ir September 2000, approved the following restructuring of the PSUs in petroleum and natural gas sector through strategic alliances:

(i) Bharat Petroleum Corporation Ltd. (BPCL) would buy the entire shareholding of Government of India (GOI) of 55.04% in Koch Refineries Ltd. (KRL) and make KRL its subsidiary;

(ii) Indian Oil Corporation Ltd. (IOC) would buy the entire shareholding of GOI of 52.5% in Chennai Petroleum Corporation Ltd (CPCL) and of 74.46% in Bongaigaon Refinery and Petrochmicals Ltd. (BRPL) and make them its subsidiaries;

(iii) BPCL would buy 19% of equity of Numaligarh Refinery Ltd. (NRL) from IBP and make NRL its subsidiary;

(iv) Oil India Ltd. (OIL) would buy 10% of the NRL equity from the unsubscribed portion of NRL equity capital; and

(v) The valuation of shares for the sale of Government holdings in KRL, CPCL, BRPL and NRL shall be done by MoP&NG i consultation with Ministry of Finance. The process of determination of prices has been taken up.